

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 2627 - SB 2813

March 9, 2020

SUMMARY OF ORIGINAL BILL: Clarifies that the Department of Treasury is not required to invest funds for deferred compensation programs for public employees in gold, silver, or other minerals.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (016045): Deletes all language after the enacting clause. Authorizes political subdivisions with at least 1,000 employees, or any instrumentality of a political subdivision, to establish automatic deferred or tax-sheltered compensation plans with elections for the employees to withdraw from the holdings and with auto enrollment that the employee may choose to not participate in.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- According to the Tennessee Consolidated Retirement System (TCRS), the proposed legislation would have no fiscal impact on the TCRS.
- Furthermore, the authorization granted under the proposed legislation for employers to auto enroll their employees or for the employees to opt out of contributing is already authorized under 26 CFR § 1.414(w)-1, and is therefore estimated to be not significant for local governments.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner".

Krista Lee Carsner, Executive Director

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